

Review Form 1.7

Journal Name:	Asian Journal of Economics, Business and Accounting
Manuscript Number:	Ms_AJEBA_117064
Title of the Manuscript:	EXCHANGE RATE VOLATILITY AND PRODUCTIVITY IN NIGERIA
Type of the Article	

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p>Compulsory REVISION comments</p> <p>1. Is the manuscript important for scientific community? (Please write few sentences on this manuscript)</p> <p>2. Is the title of the article suitable? (If not please suggest an alternative title)</p> <p>3. Is the abstract of the article comprehensive?</p> <p>4. Are subsections and structure of the manuscript appropriate?</p> <p>5. Do you think the manuscript is scientifically correct?</p> <p>6. Are the references sufficient and recent? If you have suggestion of additional references, please mention in the review form.</p> <p><u>(Apart from above mentioned 6 points, reviewers are free to provide additional suggestions/comments)</u></p>	<p>1. Yes. This paper offers a comprehensive exploration of the intricate relationship between exchange rate volatility and productivity growth in Nigeria within the broader context of global economic interdependence. Let's break down the key points:</p> <p>A. Contextualization of Exchange Rate Volatility: This study begins by situating exchange rate volatility as a critical determinant of economic performance, particularly in developing countries reliant on imports. It underscores the multifaceted impact of exchange rate fluctuations on factor input costs, domestic demand, and financial stability, drawing on a range of scholarly sources to support its argument.</p> <p>B. Nigerian Economic Landscape: It delineates Nigeria's economic challenges, including persistently low productivity across sectors and significant exchange rate volatility over the past decade. The sharp depreciation of the Naira against the US dollar and its repercussions on economic growth and productivity are highlighted, providing concrete examples of the adverse effects of exchange rate instability.</p> <p>C. Impact on Economic Growth and Productivity: This study elucidates how exchange rate movements have impeded Nigeria's economic growth trajectory and constrained productivity growth. By citing statistical data on economic indicators and productivity rates, it substantiates the claim that exchange rate volatility has exacerbated operational costs for businesses, thereby limiting their productivity potential and global competitiveness.</p> <p>D. Government Response and Policy Implications: Despite government efforts to manage exchange rate fluctuations through various regimes, the passage suggests that these interventions have yielded limited success in stabilizing the Naira and fostering productivity growth. This underscores the urgency for further exploration of the nexus between exchange rates and productivity and the need for more effective policy responses.</p> <p>E. Research Gap and Study Objective: This study identifies a gap in existing research on the impact of exchange rate volatility on productivity at the macroeconomic level in Nigeria. It articulates the study's objective to address this gap by investigating the dynamics of productive activity in the face of exchange rate volatility. The anticipated findings are positioned as valuable insights for policymakers and businesses in formulating responsive strategies to exchange rate shocks.</p> <p>Overall, this paper presents a compelling rationale for examining the relationship between exchange rate volatility and productivity in Nigeria. By synthesizing empirical evidence, highlighting economic trends, and identifying research gaps, it sets the stage for a rigorous investigation that could yield actionable insights for enhancing Nigeria's economic resilience and productivity performance in the face of exchange rate fluctuations.</p> <p>2. Yes. 3. Yes. 4. Yes. 5. Yes. 6. Yes.</p>	
<p>Minor REVISION comments</p> <p>1. Is language/English quality of the article suitable for scholarly communications?</p>	<p>Yes.</p>	
<p>Optional/General comments</p>	<p>This paper offers a detailed examination of the detrimental effects of exchange rate volatility on productivity growth in Nigeria, spanning multiple dimensions including methodology, findings, and policy implications. Let's dissect each aspect:</p> <p>A. Introduction to the Issue: This study initiates by highlighting the adverse impact of volatile movements in Nigeria's exchange rate on economic activity, productivity, and overall growth.</p>	

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	<p>This sets the context for the study's objective to investigate the precise relationship between exchange rate volatility and productivity.</p> <p>B. Methodological Approach: It outlines the methodology employed, incorporating Johansen and Bound cointegration tests to establish long-run relationships between variables, followed by the application of the Autoregressive Distributed Lag (ARDL) Model for analysis. This methodological rigor underscores the study's commitment to robust empirical investigation.</p> <p>C. Key Findings: The study's findings reveal a consistent negative impact of exchange rate volatility on productivity, both in the short and long run. Additionally, it highlights the adverse influence of Nigeria's underdeveloped financial system on productivity, as evidenced by the negative impact of credit to the private sector. Furthermore, it identifies monetary policy lags and the persistence of fiscal deficits as additional challenges to productivity, while acknowledging a short-term positive impact of inflation on productivity.</p> <p>D. Policy Implications and Recommendations: This study concludes by offering a set of policy recommendations aimed at addressing the identified challenges and mitigating the negative effects of exchange rate volatility on productivity. These recommendations include measures to ensure uniform pricing of foreign exchange rates, efficient management of foreign exchange access, enhancement of domestic productivity, transparency in market operations, and the development of an efficient capital mobility framework.</p> <p>Overall, this paper provides a comprehensive analysis of the multifaceted relationship between exchange rate volatility and productivity in Nigeria, backed by rigorous methodology and empirical evidence. Its policy recommendations offer practical strategies for policymakers to foster a more conducive environment for productivity growth amidst exchange rate fluctuations and systemic challenges.</p>	
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PART 2:

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Are there ethical issues in this manuscript?	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	

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